

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 12/8/2015	(3) CONTACT/PHONE Cindy Collins, ASM, 788-2932; Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve a new FY 2015-16 contract with Ever Well Health Systems, LLC not to exceed the cumulative amount of \$2,506,458 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a new FY 2015-16 contract with Ever Well Health Systems, LLC not to exceed the cumulative amount of \$2,506,458 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.			
(6) FUNDING SOURCE(S) Medi-Cal, Realignment	(7) CURRENT YEAR FINANCIAL IMPACT \$2,531,458.00	(8) ANNUAL FINANCIAL IMPACT \$2,531,458.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { X } Consent { } Presentation { } Hearing (Time Est. ____) { } Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS { } Resolutions { X } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001608		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, MFT, Behavioral Health Administrator

DATE: 12/8/2015

SUBJECT: Request to approve a new FY 2015-16 contract with Ever Well Health Systems, LLC not to exceed the cumulative amount of \$2,506,458 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness. All Districts.

RECOMMENDATION

It is recommended that the Board approve a new FY 2015-16 contract with Ever Well Health Systems, LLC not to exceed cumulative amount of \$2,506,458 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.

DISCUSSION

The Health Agency's Behavioral Health Department contracts with various residential placement providers within a wide range of adult residential services, providing the appropriate level of care to seriously mentally ill individuals in need of residential placement. Board and care facilities offer varying levels of residential care in a non-locked facility, as opposed to State hospitals, acute care hospitals, and Institutions for Mental Disease (IMD) which are locked residential facilities providing the most intensive levels of care.

Most clients placed in board and care facilities may be stepping down from a higher level of care (IMD) to a lower level of care (board and care facility), or have not succeeded in outpatient settings, and oftentimes have been placed in residential settings under conservatorship by the courts. The board and care facilities provide an alternative for clients ready to transition to a slightly lower level of care than that provided in an IMD, but not yet ready for more independent living situations. Residential services are designed to enhance basic living skills, improve social functioning, and allow for training opportunities within the community. Mental health support groups are provided at some facilities to help clients gain insight into their illness, assist them in symptom management, and encourage peer support activities. As clients demonstrate stability in the board and care setting, the county residential case manager evaluates transferring clients to more independent living arrangements within San Luis Obispo county, or stepping down services as appropriate, and board and care facilities provide the assistance and structure necessary for each client to be successful in a less restrictive setting and reintegrate back into the community. Although the desired outcome is to move clients to the least restrictive level in which they can be successful, a certain percentage of the population with severe mental illness will, at any given time, need the level of treatment offered in a board and care setting.

During FY 2014-15 there was consistent use of board and care facilities, with several clients being transferred between board and care facilities. While 90 clients were budgeted for 2014-15, the year started off with 84 clients placed in board and care facilities, and at one point during the year as many as 88 clients were placed in board and care facilities at the same time. However, by June 30, 2015 this number was reduced to 81 by moving clients to lower levels of care or more appropriate levels of service. As of October 31, 2015 there are 84 clients placed in board and care facilities. The slight influx of clients thus far during FY 2015-16 is due to clients stepping down from higher levels of care, such as an IMD, and utilization of board and care placements by the homeless outreach team.

The Behavioral Health Department makes great efforts to choose residential provider services that most appropriately meet the current diagnosis and treatment needs of the individual client. Although the Department uses these objectives to track performance, Behavioral Health realizes that fluctuations in a client's behavioral health condition and/or response to

medications do occur, and that movement of clients to higher level placement will be appropriate in some cases and that this does not necessarily reflect any negative performance on the part of the service provider.

On July 8th, 2014, your Board renewed contracts with five Board and Care facilities: Yuan Yuan He and Li Xia Zhang dba American Care Home and American Care Home II, Psynergy Programs, Inc., dba Nueva Vista and dba Cielo Vista, Front St., Inc., Davis Guest Home, Inc., and C and D's Guest Homes, Inc. These contracts were approved with the Option to Renew for one year; the Option to Renew each contract through June 30, 2016 was exercised and executed by the Health Agency Director. The Behavioral Health Department wishes to contact with one new additional facility, Ever Well Health Systems, Inc. This additional facility is necessary to provide appropriate care for new clients who have a diagnosis or condition that the currently contracted facilities are not able to adequately treat. The contract provider is licensed by the State Department of Health Services as a board and care facility. Due to the lack of available board and care facilities in San Luis Obispo County, Behavioral Health utilizes the aforementioned contractors depending on bed availability.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the contracts as to form and legal effect.

FINANCIAL CONSIDERATIONS

The FY 2015-16 Behavioral Health Department Adopted budget includes \$2,506,458 for board and care services, which assumes an average of 93 clients for a total of 33,942 days. This represents a 3.58% increase, or \$86,688, in the amount of board and care services compared to \$2,419,770 budgeted for FY 2014-15, which assumed 90 clients for a total of 32,996 days. When the FY 2015-16 budget was developed in December of 2014, there were 87 clients placed in board and care facilities. It is anticipated the FY 2015-16 budget for board and care facilities will be sufficient given current client status and anticipated fluctuations in client census.

The contracted rates for FY 2015-16 vary from \$28 to \$325 per day. The average daily rate for FY 2015-16 is \$117.03. The rates for Ever Well are \$150 per day for Level 1 clients and \$175 per day for Level 2 clients. The level of each client is based on the acuity of their individual needs. Ever Well rates are higher than the average rate for FY 2015-16 due to the inclusion of Mental Health Services, such as medication support, case management, crisis intervention, and individual/group therapy in their daily rates. Not all Board and Care facilities include these services in their daily rates.

The actual annual costs for board and care services vary depending on bed availability in each facility, the level of care and program needs for the clients, and the number clients needing residential placement. Each contract stipulates a maximum amount of \$2,506,458, but it is clear in each of the board and care contracts that the County only pays for actual bed days used. Setting each contract at the maximum amount allows the flexibility to move clients within each facility and add clients without amending their contract based on initial estimates. However, the total amount spent for all six contracts is expected to be within the \$2,506,458 budget.

RESULTS

Measurable Outcomes for the Ever Well contract include the following:

- At least 80% of County's clients admitted to the program from higher level placements will manage to move to a less intensive level of care within six to eight months of admission.
 - The final goal is for each resident to progress toward lower levels of care and return to San Luis Obispo County.
- At least 80% of clients served will not use acute hospitalization during the contract year.
- The number of County's clients re-admitted to higher level placements will be reported to County to assess the long-term effectiveness of Contractor's programs. Progress in meeting these objectives will be monitored quarterly throughout the contract year by a designated County Mental Health Approval Team.

Once this contract is in place, data can begin to be collected on clients placed at Ever Well in order to provide output information for the remainder of FY 2015-16.

The Behavioral Health Department accepts responsibility for managing placements in the most cost effective manner, while providing the most appropriate treatment option for the individual client. In spite of efforts to find viable alternatives to IMD placements, there will continue to be a core group of individuals with severe mental illness who are in need of IMD services. Appropriate placements help Behavioral Health reach its mission to serve clients in the least restrictive setting possible and to advance the goal of assisting individuals with severe mental illness to be as functional and productive as possible in the least costly environments. Providing the most appropriate services to these clients increases their probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision

of a healthy and safe community.

ATTACHMENTS

1. Ever Well contract FY 2015-16